

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 03/01/2011

Report No.: 59969

1. Basic Project Data

Country: Armenia	Project ID: P120028	
Project Name: Community Agricultural Resource Management and Competitiveness Project		
Task Team Leader: Doina Petrescu		
Estimated Appraisal Date: November 29, 2010	Estimated Board Date: March 22, 2011	
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan	
Sector: General agriculture, fishing and forestry sector (50%);Agricultural marketing and trade (50%)		
Theme: Rural non-farm income generation (40%);Rural markets (20%);Other environment and natural resources management (20%);Rural services and infrastructure (20%)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	16.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>BORROWER/RECIPIENT</u>		<u>5.33</u>
		5.33
Environmental Category: B - Partial Assessment		
Repeater <input type="checkbox"/>		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The project development objective is to improve productivity and sustainability of pasture/livestock livelihood systems in selected communities. This would be evidenced by: (i) increased livestock productivity as measured by milk productivity and increase in daily animal weight gain; (ii) increased efficiency of communal pasture management, as measured by increased communal budgetary revenues from lease of pastures; (iii) increased farm sales from livestock; and (iv) increased Pasture Management Effectiveness.

3. Project Description

The Project would consist of four main components:

(1) Community Pasture/Livestock Management System. This component aims to introduce efficient and sustainable community-managed pasture/fodder-based livestock

production systems in selected mountainous communities, where livestock is the main source of livelihood and communities express a strong interest in improving their pasture production, through support for the development of pasture/livestock management plans and a community fund for the implementation of these plans.

(2) Strengthening Support Services. This component aims to increase livestock productivity and pasture health by improving the supporting services for farmers involved in livestock production. This will be achieved by providing support to: (a) improve agricultural advisory services in livestock-related topics; and (b) improve community animal health services.

(3) Competitive Grants Program. This component aims to increase sales from livestock and natural resources through support to village-level agri-business and farmer groups to develop new business opportunities, improve marketing, promote food safety practices, and introduce and demonstrate new technologies that could benefit communities focused on livestock production.

4) Project Management and Monitoring and Evaluation. The project would be managed by the same Project Implementation Unit (PIU) that was implementing the RESCAD and the AIP projects. This component will finance (a) project management and training, including annual operational reviews and audits; and; (b) monitoring and evaluation (M&E).

4. Project Location and salient physical characteristics relevant to the safeguard analysis

Majority of the project activities will be implemented in the selected mountainous communities of Armenia, for which livestock is the main source of livelihood, and which are dependent on grassland and pasture ecosystems. The project will also support interventions at the national level.

5. Environmental and Social Safeguards Specialists

Ms Darejan Kapanadze (ECSS3)

Mr Martin Henry Lenihan (ECSS4)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)	X	
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: The project will support elaboration of sustainable pasture resource management plans and livestock development plans to define options for increasing quantity and quality of overall fodder production, while reducing the pressure on overgrazed degraded areas and regenerating their productive capacity. However, organized management of pastures would imply shifting pressure from nearby grazing lands to more remote areas, as well as intensified production of animal fodder, which carry certain environmental threats and require a cautious approach. Improving veterinary services and delivery of competitive grants to animal farming communities will sensitize beneficiary institutions and communities to the negative impacts of improper disposal of the organic animal waste as well as biological and hazardous waste from veterinary laboratories and service centers, and will support adoption of the improved waste management practices currently applicable in Armenia.

Short term modest negative environmental impacts of the project interventions are mostly limited to small construction and rehabilitation works to improve access roads and other infrastructure of pastures and premises of veterinary service delivery centers. Grant-financed small agricultural and agro-processing subprojects in rural areas may also have potential adverse impacts on the natural resources and environment due to generally low awareness of rural communities of the risks associated with waste disposal, pesticide use and other farming practices. The project is designed not only to mitigate these risks, but also to disseminate knowledge about good agricultural practices for the use beyond its scope and lifetime.

Environmental screening of the proposed project revealed prevalence of the expected positive long term impacts on the biodiversity and landscapes of the alpine meadows of the country and possible modest short term negative environmental impacts confined to the activity areas. Medium risks of improper disposal of various types of organic waste from the beneficiary animal farms, processing entities, and veterinary service centers were also noted. Based on the above, OP/BP 4.01 Environmental Assessment was triggered and the project was classified as environmental category B.

The Bank Policy on Involuntary Resettlement (OP/BP 4.12) is not triggered for this project as the project will not involve land acquisition, and any restriction of access to natural resources will result from community decision-making processes, deemed satisfactory to the Bank, which provides for identification of appropriate measures to mitigate any adverse effects on vulnerable members of the community.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project is expected to have long term positive environmental impact as a result of the intended shift to more sustainable pasture management and better organized management

of waste from animal farms and veterinary service delivery entities, and through dissemination of good farming practices to rural communities.

The project is also expected to generate positive social benefits. The project supports improving the productivity of livelihood resources (communal pastures and livestock) which are critical to poor households in Armenia, and for which livestock represents an important source of both food and cash income. Additionally, through the competitive grants program, the project supports diversifying the income base of livestock dependent communities and their constituent households.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not relevant.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The project triggers OP/BP 4.01 Environmental Assessment and is classified as environmental Category B. In accordance with the safeguard requirements, an Environmental Management Plan (EMP) is developed, which describes potential environmental impacts of all components of the project and provides measures for mitigating these impacts. EMP recommendations are built into the project, as provision are in place to reflect them in the designs of pasture infrastructure and other construction works, as well as into the guidelines for developing pasture management plans and operating of veterinary service centers. EMP carries an Environmental Management Framework (EMF) for the CGP. The EMF outlines procedures of environmental review, approval and monitoring and subprojects to be financed from the CGP. The main principles of this procedure are screening and categorization of subproject proposals, preparation of site-specific EMPs and Pest Management Plans (PMPs) if deemed necessary, and the oversight of adherence to the good environmental practice and recommendations of EMPs/PMPs throughout implementation of subprojects. It is agreed that subprojects of environmental Category A not be eligible for financing under the CGP. Only Category B and C subprojects will be accepted for further review and approval.

OP 4.09 Pest Management is also triggered by the project. Although its mainstream activities do not require procurement and use of agrochemicals, procurement of minor amounts of pesticides for fodder production and under the CGP financed subprojects is not excluded. An indirect increase of pesticide use is possible as a result of some subprojects if they improve farmers access to other agricultural inputs and help to intensify ago production. Also, triggering of OP 4.09 will ensure that any recommendations on the pest and pesticide management issued by the project-supported providers of advisory services are based on the basics of Integrated Pest Management and are least harmful for the environment. EMF calls for the development of subproject specific PMPs as necessary depending on the nature of activities financed.

Ministry of Agriculture of the Republic of Armenia will be the implementing agency for the project, while its day-to-day management will be provided by PIU under this Ministry. The PIU has extensive experience gained through the implementation of the World Bank financed Rural Enterprise Support and Community Agriculture Development (RESCAD) project, including management of the environmental safeguards. Nonetheless, there is a need for enhancing environmental review and supervision capacity within PIU towards quality and effectively performing the functions of: (i) reviewing pasture development plans to ensure that they are in line with EMP recommendations, (ii) assisting rural communities and designers with filling out environmental checklists for small construction and rehabilitation works under pasture development and/or upgrading of veterinary facilities, (iii) screening and classifying grant proposals under CGP and ensuring development of EMPs for category B subprojects, and (iv) producing regular records of environmental supervision of civil works and reports on environmental monitoring of subprojects implementation under CGP.

As part of project preparation, a social-institutional-legal assessment was also conducted. Key findings of the assessment confirmed the need to pursue the proposed project design. A strong emphasis was placed by the report on raising pasture user awareness, organizing participatory pasture user associations as vehicles for implementation, and ensuring that the creation of new pasture management regimes is accompanied by investment measures that improve productivity. All these factors have been taken into account in the project design, along with the need to establish a robust grievance redress and monitoring mechanism. Furthermore, any sub-projects financed under the project will be implemented on community owned land not currently used by third parties, while the rights of those who already have privately developed physical objects on community pastures will be protected by the provisions of the pasture management plans.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The key stakeholders of the project are: the livestock farming communities of mountainous Armenia; providers of advisory and extension services for the livestock-related activities, including the network of the regional-level Marz Agricultural Support Centers (MASCs) and the national-level Republican Agricultural Support Center (RASC); village agri-business and farmer groups which will be awarded CGP grants; community veterinarians; the Food Safety and Veterinary Inspectorate and the Ministry of Agriculture.

EMP prepared for the purposes of the project implementation was discussed with the stakeholders, environmental NGOs, representatives of academic circles and media at the stage of an early draft on July 30, 2010. A second public consultation took place on the final draft EMP on November 26, 2010, and comments received were incorporated on the final EMP which was received by the Bank on December 21, 2010. The final EMP was disclosed in-country and through the World Bank InfoShop on January 31, 2011.

Extensive consultations with key stakeholders have already taken place in order to confirm that: (i) addressing the dual objective of natural resource conservation and economic development is relevant and important for village communities; and (ii) the community-driven development implementation mechanisms are relevant within the context of the project. These consultations resulted in community proposals for institutional arrangements which were incorporated in the project design, such as the creation of pasture/livestock associations, and their results strongly support the participatory approach of addressing dual objectives of natural resource management and economic development at the community level.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes	
Date of receipt by the Bank	11/10/2010	
Date of "in-country" disclosure	11/12/2010	
Date of submission to InfoShop	11/12/2010	
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors		

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?		
Date of receipt by the Bank		
Date of "in-country" disclosure		
Date of submission to InfoShop		

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?		
Date of receipt by the Bank		
Date of "in-country" disclosure		
Date of submission to InfoShop		

Pest Management Plan:

Was the document disclosed prior to appraisal?	N/A	
Date of receipt by the Bank		N/A
Date of "in-country" disclosure		N/A
Date of submission to InfoShop		N/A

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

OP 4.09 Pest Management is triggered by the project, despite the fact that its mainstream activities do not require procurement and use of agrochemicals. The Policy is triggered because procurement of minor amounts of pesticides for fodder production and under the CGP financed subprojects cannot be excluded. An indirect increase of pesticide use is possible as a result of improved access to other agricultural inputs and intensification of production due to the project interventions. Also, the Policy is triggered to ensure that any recommendations on the pest and pesticide management, which may be issued by the project-supported providers of advisory services, are based on the basics of Integrated Pest Management and are least harmful for the environment. No stand alone PMP is developed as a part of the project preparation, through the EMP explains in detail how a need for developing PMPs specific for individual project activities should be determined during the project implementation; and how these PMP should be developed, applied, and monitored.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	No
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	N/A

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Ms Doina Petrescu	11/12/2010
Environmental Specialist:	Ms Darejan Kapanadze	11/12/2010
Social Development Specialist Additional Environmental and/or Social Development Specialist(s):	Mr Martin Henry Lenihan	11/12/2010
<i>Approved by:</i>		
Sector Manager:	Ms Dina Umali-Deininger	11/12/2010
Comments:		